GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4070
ANSWERED ON:14.12.2001
EXCISE HOLIDAY ON COTTON YARN
T.M. SELVAGANAPATHI

Will the Minister of FINANCE be pleased to state:

(a) whether the Southern India Mills Association (SIMA) has suggestedexcise holiday on cotton yarn till the introduction of an unbreakable MODVAT chain;

(b) if so, the steps proposed to be taken by the Government in this regard;

(c) whether it is a fact that the Tirupur Exporters` Association has in a representation demanded that the knitwear industry should not be brought under the excise net; and

(d) if so, the decision taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N.RAMACHANDRAN)

(a) & (b): The Indian Cotton Mills` Federation, which is the parentassociation of SIMA, had made a representation suggesting excise holiday on cotton yarn till the introduction of an unbreakable MODVAT chain. This was examined and it was not found feasible to accede to this request.

(c) & (d): Yes, Sir. A representation, dated 14-2-2001, from the Tirupur Exporters` Association was received in this regard and it was decided to maintain status quo in respect of the excise duty structure for the knitwear industry in the budget for 2001-2002.